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Bushnell, George H.

The building of a merchant

[S.I.]

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Z	The building of a merchant, by George H. Bushnell
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The Building *of a* Merchant

308

Z

Box 166

By

GEORGE H. BUSHNELL

Vice-President J. C. Penney Company

Address delivered at the Cleveland,
St. Louis, St. Paul, Portland, Salt
Lake City and Fort Worth Con-
ventions of the J. C. PENNEY
COMPANY, April and May 1924

The Building *of a* Merchant

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Gift of
President N. M. Butler
6-6-24

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Mar 19, 1925

The Building of a Merchant

I

GENTLEMEN:

It is a very great pleasure to express to you my appreciation of the privilege and opportunity of attending this Convention. Severe as the weeks of preparation for these sessions have been, they have brought to all concerned a genuine reward in what is revealed of the healthy condition of our business and its possible splendid future growth and development.

I do not hesitate to say, now, in the beginning of my talk with you, that there is every evidence of a future for our Organization that is even more remarkable than is the growth we have already attained from the days of our founding. But—that we may be fully aware of the terms and conditions upon which that future development will be realized—let us understand this fact: **POSSIBILITIES NEVER CARRY THEIR OWN GUARANTEE.** Men have to dream of them, labor for them, establish them through Good

Judgment, Faithful Industry and Continued Sacrifice. These factors: Good Judgment, Industry and Sacrifice, are our potential partners. Proceed *with* them—and all good things are possible. Forget them—and not only will our individual and business growth cease but disintegration will destroy what we have so well builded.

Therefore, we have two fundamental responsibilities which we must never forget. The one has to do with those things which permit us to hold fast to that which we have. The other is, as I have said, to go forward with Judgment, Industry and Sacrifice, and push our tent-pegs farther out, for as the Good Book truly tells us, there is still much land to be possessed.

Now, one of the reasons why we should appreciate these Conventions is that they afford us a very necessary opportunity to pause for a moment to examine both our business and ourselves: Our business—that we may be assured we are keeping its ideals in tune with right principles: Ourselves—that we may dedicate our skill and power to sustaining not only the responsibilities of today but those which are sure to arrive with the coming of tomorrow.

Men—let us be aware of what these days of conference can mean to us. They are the best days of the year. From them we can secure a renewal of faith and an increase of strength. A man can not continue to inspire himself. To realize his power and to believe in it, he needs the assuring words of another. We are here to speak that

heartening, uplifting word to one another. To miss this opportunity is to deny not only ourselves but our neighbor everything that makes for a firmer faith, a clearer vision and a certain reward. We need therefore to make the pause in our business which these Conventions afford. It is the only way we can get our bearings; make truer estimates of values and adjust ourselves to the call of the job.



II

Men—I want you to note, as we proceed, that practically all considerations of business rest upon three factors:

I. Men, II. Policies and III. Service.

I. THE MEN are they who create, devise and execute.

II. THE POLICIES are the trackage along which the men proceed.

III. THE SERVICE is what results when Men work in a definite direction and according to well defined Policies.

MEN come first because it is they who meet and agree to operate among themselves for a definite purpose. What they do and how they shall do it constitutes the POLICIES of their undertaking. Finally, the object of their organized activity, as it shows through these Policies, finds expression in what it contributes to the common good of mankind.

This is SERVICE.

You men know, as well as I do, that we have never yet held a Convention at which we have not discussed these three factors:

MEN, POLICIES and SERVICE.

It would seem as if, by this time, we should have worn these subjects so threadbare that there could be nothing further in them for us. But in the

months of study and consideration which we have devoted to the programs for this meeting, nothing has impressed us more than the necessity of pointing out and emphasizing the fact that every day's business experience reveals new meanings and new responsibilities in the matter of MEN, POLICIES and SERVICE. So impressively, indeed, do these three factors stand out that I venture to say we shall never be done with them. And the simple reason is that, in the rapid adjustment which they make for us along with changing times, they will never be done with us.

Hence, we find that every relationship we establish and sustain, both with one another and with the public, requires more careful consideration today than it did yesterday or a year ago.



III

It is the claim of the agriculturist that no human being has ever discovered the limit of yield of a square yard of ground. One can well believe this, because we know from experience that no man can safely set a limit to the development possible to the human being. No matter how many years we may continue to hold our semi-annual Conventions, these three great factors—MEN, POLICIES, SERVICE—will always demand serious attention because they are the factors that actually produce not only Service itself but the profitable financial results over the counters of our stores.

We see, then, that our business is not *fixed* in its nature. It does not operate through movements and conditions that are familiar and unchanging. Our business is something that creates itself anew every day. The varying reactions of demand and supply, the ebb and flow of what we call good and bad times, these and many another factor are sufficient to create a problem which we must never cease to study. But when we add to the problems of business conditions the influence of men in relation to the public we realize that another powerful factor has entered the problem, namely, the human element. Now, we all know that the human element is that of all things that keeps us wondering as to what will happen next, for human nature as it is expressed in men and women working together for the purpose of serving other men and women is a mighty source of expected and unexpected twists and turns. If there were a way to

discover what a man would do next, before he did it, life would be robbed of much that now keeps us awake and guessing. It would also rob business of a good deal of variety that makes us smile now and then.

So you see that every factor that enters business conspires to keep it in constant change. It is to observe this change, to interpret its meaning correctly and to adapt ourselves to its demands that will enable us to keep abreast of our affairs.



IV

Now, all business problems tend to group under two main heads:

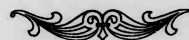
I. The first are those problems that have to do with the Ideals of a business. These provide the inspiration that develops the Service-object and opens up the way to greater and more practical application of a business to public needs. Business Ideals lead to the establishment of Policies and Principles and make necessary the investigation of business conditions.

II. The second are the factors of skill which business demands of its workers. These include the many things that make up the life of a business day. In our work we know them as the activities which group around Merchandising, Selling, Advertising, Man Training, Contact with the public and in general the thousand and one conditions that arise in the day's business.

In any business that is dedicated, as every right business should be, to the object of making money through perfecting and performing a public service, ideals must be clearly defined and men must be true to them. They must be to the merchant what the port of destination is to the sailor. Ideals inspire the morale of the business; they are the Body of Doctrine which keeps men true to the accepted Purpose. In making up the programs of this Convention, we have striven to select subjects which shall, as faithfully as possible, set forth all lines of our business activity. And I trust you will

find—in the addresses which you are to hear—that we are presenting to you many a point worthy of careful consideration and permanent retention.

In previous Conventions I have found it necessary to make some pretty plain statements about men and their practices. I wish I might never have been compelled to do this but the conditions to which I drew your attention existed and to call a spade a spade is— to my way of thinking—the only way to identify it. I refer to this matter now for quite a different purpose. I want now to bring before you and to recommend to your earnest study a quality which, if we will adopt it personally and will search out its broadest meaning and application, will truly render us faithful stewards and capable men in our place and work.



V

I stated in the opening of this address that in the discussion of the three great factors of modern business—MEN, POLICIES and SERVICE—MEN come first, because it is they who agree among themselves to operate along a definite line for a definite purpose. That is the way our business was started. That is the way it has continued to increase, both in growth and importance in the communities that it serves.

Now, no body of men can come together for the carrying out of any policy, and especially over a term of years, without arousing within themselves and establishing with one another a quality that acts as the binding and sustaining force to hold securely in place the parts that make up the whole personal structure.

The quality to which I refer is **LOYALTY**.

I think so much of Loyalty as a wonder-working factor in cooperative work that I have included it in the list of topics to be discussed by the speakers at this session. You know, Men, the whole aspect of Loyalty seems to be simple and so clear, when we look at it from the point of view of business well-being, that one would think it unnecessary to include a discussion of it in a Business Convention. But it is because the roots of the Tree of Loyalty seek so far afield for nourishment that we sometimes fail to realize its reach. Business men would no longer fail in the trust imposed in them if Loyalty were exercised to one hundred per cent.

The practice of Loyalty would remedy or remove well-nigh all business ills if every man, in his relation to every other man, would assume without question the active presence of this factor. Let that quality be joined to good business judgment and you have a combination almost impossible to beat.

What is Loyalty and what does it mean to the men of an Organization?

Loyalty travels far and makes many connections. It is not merely square dealing between men. It includes also the recognition of—and adherence to—the centralizing policy of the business. It means considering the well-being of all rather than the well-being of the one. It is a positive cure for selfishness. It inspires one to believe in helping the other man. Loyalty inspires us to stand back of every transaction, with the intention of guaranteeing one hundred per cent of satisfaction. Loyalty is unquestioning allegiance. Finally, Loyalty is the quality which inspires the unified effort which makes for the greatest good to the greatest number in the Organization.

Loyalty is not exclusively confined to the daily happenings of business because business men must be Loyal to something **OUTSIDE OF THEMSELVES**; to a common agreement, to a common ideal, to a common standard of righteousness, or right doing. This includes not only daily commercial activity but relation to family, to neighbors, to institutions and to the community at large.

in which the business man lives and has his daily being.

Men, Loyalty is not a little loophole through which we look in one direction. It is the entire circle of life.

No man is Loyal to this Organization who is overspending.

No man is Loyal to this Organization who, by indiscreet methods of living, is jeopardizing the safety of his family.

No man is Loyal to this Organization who, by any act whatever, endangers either his credit or his moral standing in his community.

I expect the day will never come when some among us—and probably many—will not need to be reminded that there is no possible way of separating business from life. Therefore, a man can not escape showing all he is by his business practices. It is impossible to have one set of rules for business and another set for living. That is why questionable business practices have in the past resulted in the wrecking of so many homes and why, if persisted in, they will continue to wreck homes, business and human beings.



VI

Loyalty, to my way of thinking, is a simple system of cooperation which affects every activity in our business. Nowhere, important as it is in every department of our work, does it head up, so to speak, into the supreme importance that it reaches when we come to Manager Building and to the Training of the Sales Force. You men know from your own experience in this Organization and from what you have learned from observing your own men, that it is human nature to sag on the job and get anxious about the future. This is the way men begin to destroy the value of the present; they ask unnecessary questions about the future and so go stale on the present. That is why we hear:

When do I get my interest?

When do I get out with my store?

This symptom generally appears long before a man is capable of managing a store or is worthy of having one. **THE MAN WHO KNOWS HIS GROUND DOES NOT WORRY NOR ASK QUESTIONS THAT BETRAY DOUBT OR MISTRUST.** He is not afraid that the reward of his work will slip away from under his feet. As we used to say, He saws wood.

That is Loyalty showing true in test.

It seems, with some men, as if the desire to have a partnership interest throws the whole prospective of the value of the present moment out of plumb.

Thus anxious impulse over-rides calmer judgment, which says:

WAIT AND LEARN.

GET SOLIDLY ESTABLISHED. And then, by the very law of the nature of our Organization, partnership participation will come of itself.

Men, I want you to have implicit faith in this statement:

No man ever succeeds—in fact, he generally fails completely—who allows selfishness to urge him to seek a responsibility he can not carry.

The Loyal man never gets his feet tangled up in the meshes of this mistake. You men know as well as I know that this Organization does not bestow partnership privilege on a man by reason of age, length of service, anxiety of his wife nor the impatience that lines his face with wrinkles. Partnership must be bestowed in every case upon men who are qualified to do the job and for no other reason. As often as we depart from that principle we weaken our man-power, mortgage our future with incompetent men and reduce the actual money profit from our business.



VII

At no Convention in past years have we failed to talk at considerable length about MAN TRAINING. You men probably get tired of hearing about it. But I want to say to you that tired as you may get—this matter of Man Training is with us to stay. We have not begun on it yet. The day is coming when men must be developed and judged by Man Training standards. This test—Men—is as *sure* as the Day of Judgment. Man Training is not yet the practical accomplishment with us that it should be. The reason for this is found in selfish desire taking precedence over the well-being of the business as a whole. Hence, we are in constant danger, by reason of putting out Managers who are by no means as thoroughly qualified to do for the communities to which we send them as were the well-trained Managers of the old school.

I regard this as the danger point in our business. There is nothing new to be said about the matter. All we can do is to repeat the fundamental facts. And these are:

- (1) Know of what Manager Training consists, item by item, fact by fact.
- (2) Do not think that a man is ready to go out from your store as Manager because you both are anxious to secure an interest.
- (3) Be sure of his ability.
- (4) Every manager who sends out a half-baked candidate is going to get a half-baked result. It is

a law of nature that like begets like. Look out for this.

(5) Man training must be done carefully, consciously—line upon line; precept upon precept. To guess about it or to neglect it is profit and efficiency lost to everybody for all time.

We have failed to make some men understand that Manager Training is not mere sentiment nor time serving.

It is neither.

It is highly developed capacity.

And I make free to say to you that it is my conviction, averaging all the towns in which we do business, that we could do a far greater volume, and probably with less overhead than we are now operating under, if every man would persistently study what management means, dropping from his mind every selfish desire to benefit himself and keeping clearly before himself the Great Fundamental of the founders of this Company:

Do your job well. Train the next man to do it in the highest degree of efficiency. In this way a Manager will secure more for himself than all the selfishness on earth would possibly produce for him.



VIII

This brings me naturally to the subject of training the sales force, by which I mean training everybody in the store to do, as perfectly as possible, the work that makes up the day's activity of the store.

What is the purpose of the store?

Without attempting to set up the entire series of actions, here are a few of the principal items:

The store aims to secure the merchandise the community needs, to display it, to advertise it and to present it attractively to customers, to sell it, all in the most intelligent manner possible. Hence, the purpose of training the sales force is to make them capable of rendering to customers who enter our stores the best possible assistance in selecting the merchandise, in serving and selling them what they need courteously, intelligently and with mutual satisfaction.

If you will take the trouble to analyze the causes which produce, on the one hand, a successful retail store and the causes which produce, alongside of it, an unsuccessful, failing retail store, you will be impressed with the fact that the unsuccessful store owes its condition to lack of purpose, to lack of method, to inability of the owner to distinguish between personal money and business money; to lack of industry, carelessness, failure to provide desirable goods and to set them before the public in an attractive manner; to disorderly store interior, to slackness in operation—in brief, to a total

absence of a service ideal in the conduct of the business.

On the other hand, a store that buys favorably, that makes a close adjustment of its buying to the needs of the community, whose merchandise is always spick and span, whose window and interior trim are attractive of color, orderly and inviting, whose every square inch of woodwork is free of dust and dirt and whose working force is alert, intelligent, industrious, studious of the customers' wants, desirous to provide not only merchandise for money, but satisfaction to assure the return of the customer—a store, I repeat, that meets its public in this attractive, service-giving, efficient manner is a worthy public utility, whereas the other is a community liability.

In comparing these two forms of retail stores, you must see that the one fails for the lack of—and the other succeeds because of—just this one thing—intelligent purpose, intelligently carried out. And intelligent purpose is that quality which must be conveyed to and built up in every member of the force, from Stock Boy to Manager. Store efficiency is not a contagious disease which mere presence in the store guarantees one to catch or contract; it is the quality of highly developed ability aroused in the sales force through the sane leadership, example and teaching of the Manager. And to do this efficiently he must conceive the retail store in terms of its greatest usefulness to the people who should patronize it, knowing with a fair degree of accuracy what can be added an-

nually to the volume and how much money can really be expected to remain as net profit.

And so, am I not right in saying of the training of the sales force what I have said of the training of Managers:

It is too often hit or miss; too often left to take care of itself; too often neglected in the vague expectation that men and women can be busy together in a business and, merely by being busy near each other, learn the underlying philosophy and practice of serving the public.

Men, this can never be done.

Every sales person should understand thoroughly the store, its policy, stock and public service. Each should know what amount of gross sales he should make to be a satisfactory profit on his salary. Without this comprehension of himself in relation to the business, a sales person is all at sea. He can not work intelligently or efficiently.

Hence every one in the store must study his job and learn to translate his experiences into terms of its highest efficiency. He can do this only if he has a leader and an instructor who can make plain to him the purpose of his day's work in terms of the well-being of the whole organization. I sometimes wonder what would happen if a group of men would so conduct a business that the highest form of intelligent service, individually and collectively, should be applied. Men, there is no one here whose imagination is powerful enough to picture the amazing result that would follow upon

so simple a thing as giving every worker in the store the most practical training for his job and inspiring him to do it with all his heart, mind and body.

I have talked to you about what it means to train men for Managership and what it means to train the sales force for intelligent service to the public. Have you ever stopped to think that this training, given by a Manager who is sure of his captaincy, whose shrewd business common sense is rightly developed, is the foundation of all business progress?

And have you thought that the same type of intelligent cooperation must gradually be brought to the attention of the public over the counter by word-of-mouth propaganda of the sales force?

The development of intelligent cooperation which begins with Manager Training, which extends to the building of the sales force into a unified group of sales people working to a common purpose, must necessarily be carried on to the public which must, in turn, be educated to know and to have faith in the purpose and ideal of our Company, in its buying power, its ability to secure and give quality and value and, perhaps best of all, its developed ability to serve the retail customer with that mutual interest which makes the most of every single transaction.

We have a long way to go to bring about this state of affairs. Do you remember the easy-going store-keeping methods of the easy-going store-

keeper? Do you recall his leisure, his sagging down as the years go on, his failure to expand, his habit of dipping into the till for every dollar that he needed for his own expenses, his failure to read closely public needs and to keep abreast of public demands? Compare this merchant with the man who can accomplish what we have been talking about, who, being himself a skillful, all-around merchant, can train another man to equal himself, who can build a sales force that will, in turn, create a solid buying group of clients which is constantly increasing in number because intelligent service is constantly winning their confidence. Compare these two men and you will be more forcibly impressed by the message I desire you to receive.



IX

Let us suppose, just for the sake of example, that a Manager has gone on, year after year, and has not perceived the whole vision of retailing for public service nor has been impressed with the factors in the case that produce a business highly specialized for public service.

What can he do?

I am tempted to say that every man is to some extent a failure. By that I mean that there are always reaches of accomplishment ahead of and around every man into which he may move for self-improvement and greater public usefulness. It is because I recognize in every man a margin of failure that I have invited one of you gentlemen to address this Convention on the subject:

Can a Man Who Has Failed Ever Come Back?

And I often wonder whether or not the man who fails a little must not resort ultimately to the same scheme of procedure as the man who has failed considerably in order to approach that hundred per cent of his possibilities with which the great Creative Intelligence has endowed him?

It has been said that there is no danger in the untrained man or the untrained woman. They classify themselves so accurately that we readily know what to expect of them and what to do with them. But the great danger in the world of business, educational and social relationships lies in the half-trained man and the half-trained woman. It

is these who, with a general misunderstanding of many things, are yet courageous enough and thoughtful enough to act without being masters of the job they are supposed to do as well as it should be done. The result is, they spoil rather than produce.

Business is full of just such people; of men and women who have never taken the trouble with themselves to train even their commoner qualities into qualifications worthy of the trust of other men. It is for this reason that there are so few people in any business who are worthy of receiving responsibility. To assign responsibility to them is to assign it to uncertainty and in most cases to danger. And Men—here is our danger, for a few such men would do damage in any business. To avoid such a catastrophe is the reason we persist in bringing the subject of Man-training before these Conventions.

All this leads me to say to you that there are three acts probably more difficult than all others to perform. Men shun them. Particularly as men get older, they avoid them as a form of pestilence. They fear them. They stimulate, in the average man, not courage but alarm, so that on meeting them he turns and heads the other way. And yet it is from these three acts alone that men learn, make progress and succeed. If any business had the fortune to be manned by a working force whose constant habit it was to perform the three actions to which I refer, that business would have a success so marvelous that it would occupy the

press of the world for all time to come. And yet, so simple are these three acts than any man can attain them as a habit and master them as a technic. They are these: (1) To observe accurately. (2) To think logically. (3) To act wisely.

(1) To Observe Accurately. That is, to direct the attention upon any thing, condition or circumstance and see it exactly as it is; not with the vision of the imagination, not with the twist and turn of the desire to see it other than it is but to take in unmodified by any personal bias, exactly what lies before one.

(2) To Think Logically. To use the mind as a skillful workman uses the tool with which he is most familiar, making it perform its function, handling it with a swiftness and sureness of technic that shows the master's control.

(3) To Act Wisely. Having observed accurately and thought logically, then to act wisely is to complete the circle of self-expression that is one of the highest privileges of a man who has endowed himself with this essential mental habit.

Equip a man with the habit to do these three things *always and on every occasion* and you have before you an unbeatable man. He will enter any business, master it and make it prosper. Let any condition whatever come upon this man through stress of circumstances and he will stand well poised, quiet in the midst of confusion and think his way out. As I said a moment ago, if it were possible to hire in a large business organization no

other men and women than just this type, the marvel of it would be subject for public wonder.

Now, here is the line of action for the man who has failed, either much or little. And such failure applies not only to the man who is down and out; it applies to you and to me, for, as I have just said, every man is a failure to some extent. There is always a margin of attainment that we do not reach. I am convinced we do not reach this margin because we have no method of approach and of conquest. But let a man set out, daily, hourly, with every task, small or great as it may be, and let that man command himself to Observe Accurately, to Think Logically and to Act Wisely and the most common man in the world will, in the course of the practice of these three things, become an uncommon man, of a value beyond money to any organization.

What produces such a man?

While we must recognize the fact that men are born with enormously varying endowments, yet it is safe to say that the average man, meeting the daily average range of business experiences, who will hold himself rigidly to the habit of *Observing Accurately*, of *Thinking Logically* from what he observes and of *Acting Wisely* upon his conclusions, can attain a standing in business of unusual worth and merit. In other words, Men, I feel that our business offers a far greater opportunity than most of us realize, that if we would hold ourselves firmly and train ourselves to do these three things, the business experience even of one of our smallest

stores would enable a man to become really a finished, efficient merchant. All the raw materials of opportunity and practice are in the hands of any one of us. All we need to do is to recognize them, handle them as carefully as every other big business is handled and make the most of them. Any man who tries it will be astonished to discover what a surprising result follows upon making the most of what we have.



X

Of course, the background of all this skill and ability is the *mind* and this is constantly subject to training. Hence, in all large business organizations, and I take the liberty to include our own in this classification, a well defined business training program must be a part of the working scheme of the organization as a whole and of each unit or store. No large business can possibly develop without having a sort of Reference Department for its experiences. What I mean by this is that there must be a Department in every large business that keeps constant and accurate account of what happens that is worth while and deserving of further development and of what practices are destructive to progress and must be forbidden.

That, in substance, is the type of work that a Training Department in any business should accomplish. Its aim should not be the attainment of knowledge or facts to be stored in the memory; its object should be to keep constantly before the working force, particularly the new men entering the Organization, the whole body of doctrine that has brought the Organization to its present high standing. That type of Training Department must be in the hands of each of you Managers. You must be the trainers of your group of sales people. Otherwise the future is cloudy.

Every man who is wise should keep an account of his experiences and classify them. As I have already said, experience alone is not a safe guide in any business, nor is experience alone a safe

teacher, for the one outstanding characteristic of experience is that it is always unorganized and few men have the power to organize their own experiences.

To the younger men entering our Organization, I feel like issuing the warning not to neglect any educational opportunity that enlarges and develops experience. To many of you it may seem that the time involved in any study is hard to find. I want to say to you that the moment you want to be a better trained merchant as keenly as you want to add dollar bills to your fortune, you will find the time.



XI

I have made this brief reference to training of men in business organizations only because I recognize in it a factor which helps to produce the type of merchant on whom alone it is safe to depend. I have pointed out many of the benefits. One important one, however, I have not yet touched upon.

That one is Initiative.

We may expect vastly different consequences in the practice of Initiative on the part of the man whose mind is well-trained and given to accurate reasoning, as compared with that of the man whose mind is swayed by emotional or temperamental forces. It is always this latter type of man who did not know the gun was loaded. He may initiate even to a greater extent than the reasoning man but he is not apt to land where he expects to when he jumps.

Hence, I believe that balanced business training with accurately organized experience gives a man all the solid ground he needs from which to set his Initiative into motion. And, therefore, it appeals to me that it is a logical part of a capable Manager's duty in our business to create new practices in business with reasoning and caution. To be sure of where we stand and to move one step forward cautiously is the way of wisdom.

I recommend to you, then, that along with your development as Managers you be constantly inquiring as to what new combinations are possible

with the factors which we handle in business. This means:

- (1) How can we improve our service?
- (2) How can we increase the number of our permanent customers?
- (3) How can we turn the Store Meeting into the finest hour of instruction that can be had?
- (4) How can we hit upon five or ten or twenty new ways of interesting the shopper so that she goes away feeling that her experience in our store was a pleasure and looks forward to repeating it?
- (5) How can we best keep our policy so continually and so interestingly before the public that the story never grows old?

In short, our future development demands that we keep new and useful possibilities in every Department of our work. And let us remember not to be lost in the maze of ordinary practices of every day. Let us get used neither to ourselves nor to our job. Let us keep everlastingly busy observing, thinking and acting to bring forth the unusual and valuable. There is nothing else that will yield quite so much along with the unusual service, quality and price that we offer. Therefore, let us make every day a new day, seeing new things in a new light, offering our services to the public in a new and more attractive manner, giving better values and increasing the satisfaction of dealing with us.

XII

While I am on the subject of training, I can not refrain from bringing before you again a subject upon which I have spoken every time I have had the honor to appear before you. I have included it in my message each year and I include it now because I know of no other factor in daily life that offers so fine an opportunity for practice in personal training as does this one. It offers all the raw material for gaining command of resources; it teaches accurate habits; it shows us how to cut out waste; it establishes a man upon the economic basis of operation which yields him the desirable satisfaction of knowing where he is every day in the year. He is the one and only type of man to whom it is safe for us to entrust our business. That is why I again bring before you the topic to which I refer.

This is Thrift.

Let us understand, to begin with, that the word Thrift is not limited to schemes of saving, to miserliness, to close-fistedness, to being mean and stingy. Thrift is economic administration of everything a man possesses. It is the basis of the art of building a fortune, whether that fortune be in money or other tangible resources. And remember that many a man builds a fortune, a considerable part of which must be not in money but in what I shall call tangible mental resources. Do not overlook this.

At the same time that Thrift has this proper meaning, it begins with a wise and capable

handling of money. And that is where it should begin because money is a concrete thing that we can count, handle and adjust to demands. It is convertible into values; it has power and we must know how to handle it. When a man has grasped these meanings of money, he is on the highway to being able to command and control his resources.

Now, it is not until a man can do this thing—that is, command and control his resources—that he can handle the affairs of a business in a way that guarantees an economic and thrifty control of its operating expenses and resources. When men fail in business, it is usually found, on examination, **THAT THEY FIRST BEGAN TO FAIL IN THEIR PRIVATE AFFAIRS.**

Statistics tell us that a very small percentage of men ever come to independence. I have just been informed that a college class, graduating one hundred and forty-three men, met recently in annual reunion. One hundred members of the class were still alive. By actual investigation, it was shown at this meeting that, of the hundred men present, just twenty could, by doing their best, scrape up an average of \$25.00 apiece in actual cash.

This is not unusual. Nearly all testimony of Actuaries shows that men flourish in the early years, exhaust their resources in current, every day living and, as old age approaches and the working power declines, money earning and accumulation decline along with it. Then come want and dependence upon others.

XIII

I am sure I do not need to call your attention to the great wisdom underlying the organization plan of this Company, a plan that permits men to make good, to fight their battle for competency in early life and to enjoy the privilege of expanding the business and enjoying the fruits of their own industry in the years that follow. In the beginning, the man who enters our Organization invests his industry against comparatively small pay but against unusual opportunity. The pay aims to provide enough to meet current expenses in accordance with the standard of the times. The demanded responsibility, the continuous heavy labor and long hours, the necessary developing intelligence to train men and to develop in new locations, is the extra investment on the part of the man for whom the future has a sure reward, if he remains true to his task.

When the day is come that the Manager begins to enjoy the fruits of his thought and industry of earlier years, there comes also a danger; namely, the very presence of the reward may act as an influence to reduce the earnestness of the man's application to business. It is undeniable that money tends to create in a man who has worked hard to obtain it, a desire to let down, to take things easy, to shorten his hours, to let other people do the work that it has been his habit to do, to admit to his daily life a larger margin of pleasure and amusement; in short, at the very moment that a man's value to business *has reached its maximum*,

the reward of the business is apt to *reduce him in value to the minimum.*

Hence, in our business there are two periods when a man finds he has a fight on his hands.

The first is in the beginning, when he has to struggle to overcome any tendency to discouragement and depression, due to the hard work and long hours necessary while he is securing his training and an understanding of the business.

The second arrives some years later, when the reward of his industry comes to his hands and he is tempted to let the ship ride at anchor instead of keeping her nose to the wind and continuing to make as profitable a voyage as he ever made.

No organization in the world can tell a man what to do at either of these points. If he does not desire to be industrious, no one can make him so. If, when prosperity reaches him, he does not care to continue true to the industry that produces it, no one can make him continue. But you can see, in either case, that a man's decision becomes the cause of what follows in his life. And, therefore, to many a man, the reward of industry has been the innocent cause of misfortune. I need not develop this further but I place it before you as a thought to be dwelt upon and labored with in earnest attitude.



XIV

As I have turned these pages to this point I have desired that, aside from the topics that they have offered, there should emerge from them all the facts regarding the type of man of which this Organization today stands in need. And therefore, in conclusion, let me show again in broad lines what type of man experience and the history of this Institution shows it to need, the type to whom it is safe to entrust the security and the workings of this Organization through the days when the older men turn the burden over to the younger.

Before we can find this desirable type of man—the man to whom we can entrust, in the years to come, any position in this Organization, we must have a Manager and a store by whom and in which the man can be produced. That store is our training camp. We have never hired Managers because we believe that what we demand of a Manager is so unlike what other organizations demand that we must train our men for the special duties they will be called upon to fulfill. Hence, let us, for a moment, analyze the Manager and examine the store in which the desirable man for future responsibility IS BEING TRAINED.

In the presence of these two influences, this man must develop the qualities that will stand any burden the future will impose upon him. Here is what we wish him to be:

1. Young enough to experience the vigor and the inspiration of youth.

2. An enthusiastic believer in our Company and its business.

3. One who believes in it to such an extent that he looks forward with happy expectation to devoting his entire life to it.

Now, no man can devote his entire life merely to the affairs that take place within a small retail store. It is against the restless spirit of human nature to be contained in so small an environment. Hence, this man must be taught and further must develop the capacity to look beyond his little store and find his inspiration in what creates it and in what it creates. The store which we place at the disposal of this man, when he qualifies, is merely one of many hundreds of outlets for a great organization policy.

Because the working scheme of his local store will be comparatively simple, it will be necessary for him to keep in touch with the Organization, forever on the alert, observing, learning, adjusting and adapting. I should expect to find this Manager not only willing but eager to embrace every opportunity to study those activities of the Organization that are unseen by the public.

The Organization and its operations constitute the background of his little store. What constitutes the foreground? Its foreground is the trading public that surrounds his place of business. It may be nearby and compact or it may be spread thinly over many square miles. Whichever it is, he must study it as closely as he studies his Or-

ganization because it is the wants and needs of the human beings in this trading area that dictate to him what he, in turn, must pass on to the Buyers of his Organization, that they may provide him with exactly what his public calls for.

Friends, few men ever do this. Despite the fact that this Organization opens every avenue of approach to its inner workings to every man employed in it, it is a law of human nature that very few will avail of the opportunity to study these inner workings and be ready when the day comes to take charge of one or another important functioning center. But the man I am portraying for you will do this thing. Therefore, we must imagine him studying every factor in our affairs:

MEN, POLICIES and SERVICE.

Let me set this man before you now as an individual. Beside possessing the enthusiasm of youth, he must be:

Clear of eye,

Inquiring of mind,

Absolutely clean of body,

Attractive of appearance,

Simple and direct of speech,

Kindly disposed toward others,

Willing to do every job from the lowest up,

Ready to turn his hand to the aid of anyone in need of his ability,

Ever ready to impart the needed information to the youngest associate.

He must be a good mixer with the people of his community but not a miscellaneous joiner of all its societies.

He must have enough common sense to know where the strongest alliances may be made.

He must be studious, unselfish and, finally, capable of making money by giving the public exactly what it wants, in the pleasantest manner possible.

As you note these qualifications, it will occur to you that most men have some of them. The fact is that everybody has some of them. But the men we need for the future must have them all in a generous degree as endowment, in a marked degree as attainment.

It is becoming plainer, with every day's experience in the history of the J. C. Penney Company, that its problems lie with men who are unselfish by nature and who persistently inquire into the operating needs of the business. One man of this kind is worth a thousand who are out only for their own future selfish comfort. And, therefore, I will put before you as the final test of the man who will ultimately find a permanent place with us this quality; he must place the well-being of

the business ahead of his own; he must be more anxious to secure partnership participation for his associate than for himself. Faithfully to observe these two demands will enrich him. But the moment he sits down and begins to count his riches, to learn how much he has this year and to wonder how much he will have next; in that moment his usefulness is over.

The man whom we want—on the other hand—stands up to his job and continues to count his opportunities.

WHATEVER YOU ARE

If you can't be a pine on the top of the hill
Be a scrub in the valley—but be
The best little scrub at the side of the rill;
Be a bush if you can't be a tree.

If you can't be a bush be a bit of the grass
Some highway to happier make;
If you can't be a muskie then just be a bass;
But be the liveliest bass in the lake.

We can't all be captains; we've got to be crew.
There's something for all of us here;
There's big work to do and there's lesser to do,
And the task we must do is the near.

If you can't be a highway, then just be a trail;
If you can't be the sun be a star;
It isn't by size that you win or you fail—
Be the best of whatever you are.

—Selected.

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TITLE**